

Exhibit 10

8-K 1 delta\_8k-090612.htm CURRENT REPORT ON FORM 8-K

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 6, 2012

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**DELTA AIR LINES, INC.**

(Exact name of registrant as specified in its charter)

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Delaware	001-05424	58-0218548
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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P.O. Box 20706, Atlanta, Georgia 30320-6001  
(Address of principal executive offices)

Registrant's telephone number, including area code: (404) 715-2600

Registrant's Web site address: www.delta.com

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- £ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - £ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - £ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - £ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 7.01 Regulation FD Disclosure.**

Delta Air Lines, Inc. today will present at the Deutsche Bank 2012 Aviation and Transportation Conference. Materials to be used in conjunction with the presentation are furnished as Exhibit 99.1 to this Form 8-K.

*In accordance with general instruction B.2 of Form 8-K, the information in this report (including the exhibit) that is being furnished pursuant to Item 7.01 of Form 8-K shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act, as amended, or otherwise subject to liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth in such filing. This report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.*

*Statements in this Form 8-K and the attached exhibit that are not historical facts, including statements regarding our estimates, expectations, beliefs, intentions, projections or strategies for the future, may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the estimates, expectations, beliefs, intentions, projections and strategies reflected in or suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the cost of aircraft fuel; risks related to the operation of an oil refinery by our wholly-owned subsidiary; the impact of posting collateral in connection with our fuel hedge contracts; the impact of significant funding obligations with respect to defined benefit pension plans; the impact that our indebtedness may have on our financial and operating activities and our ability to incur additional debt; the restrictions that financial covenants in our financing agreements will have on our financial and business operations; labor issues; interruptions or disruptions in service at one of our hub airports; our increasing dependence on technology in our operations; the ability of our credit card processors to take significant holdbacks in certain circumstances; the possible effects of accidents involving our aircraft; the effects of weather, natural disasters and seasonality on our business; the effects of an extended disruption in services provided by third party regional carriers; our ability to retain management and key employees; competitive conditions in the airline industry; the effects of the rapid spread of contagious illnesses; and the effects of terrorist attacks.*

*Additional information concerning risks and uncertainties that could cause differences between actual results and forward-looking statements is contained in Delta's Securities and Exchange Commission filings, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012. Caution should be taken not to place undue reliance on Delta's forward-looking statements, which represent Delta's views only as of September 6, 2012, and which Delta has no current intention to update.*

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit 99.1 Presentation

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DELTA AIR LINES, INC.

By: /s/ Paul A. Jacobson

Paul A. Jacobson

Senior Vice President and Chief Financial Officer

Date: September 6, 2012

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 99.1	Presentation

EX-99.1 2 delta\_8k-ex9901 htm PRESENTATION

Exhibit 99.1



# Delta: Keep Climbing

Deutsche Bank 2012 Aviation and  
Transportation Conference

September 6, 2012



## Safe Harbor



This presentation contains various projections and other forward-looking statements which represent Delta's estimates or expectations regarding future events. All forward-looking statements involve a number of assumptions, risks and uncertainties, many of which are beyond Delta's control, that could cause the actual results to differ materially from the projected results. Factors which could cause such differences include, without limitation, business, economic, competitive, industry, regulatory, market and financial uncertainties and contingencies, as well as the "Risk Factors" discussed in Delta's SEC filings. Caution should be taken not to place undue reliance on Delta's forward-looking statements, which represent Delta's views only as of the date of this presentation, and which Delta has no current intention to update.

In this presentation, we will discuss certain non-GAAP financial measures. You can find the reconciliations of those measures to comparable GAAP measures on our website at [delta.com](http://delta.com).

## Delta: Keep Climbing



### Continuing Financial Momentum

Industry leading financial improvement driven by strong gains in revenue

### Solid September Quarter

Solidly profitable September quarter despite rising jet fuel prices

### Focused on the Future: Structural Initiatives Differentiate Delta

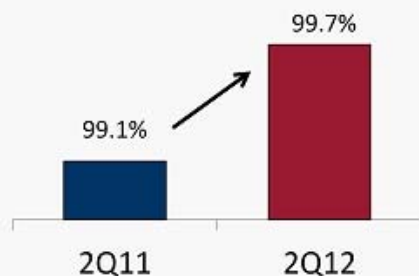
Structural initiatives further current momentum by leveraging Delta's first mover advantage



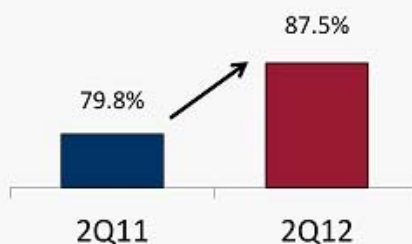
## Investing in Customer Service and Operations



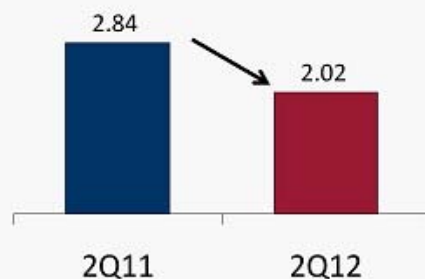
Completion factor up  
0.6 points



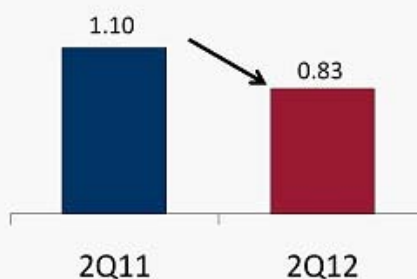
8 point improvement in  
on-time arrival rate



29% reduction in mishandled  
bags (rate per 1,000)



Customer complaints  
down 25% (rate per 100K )

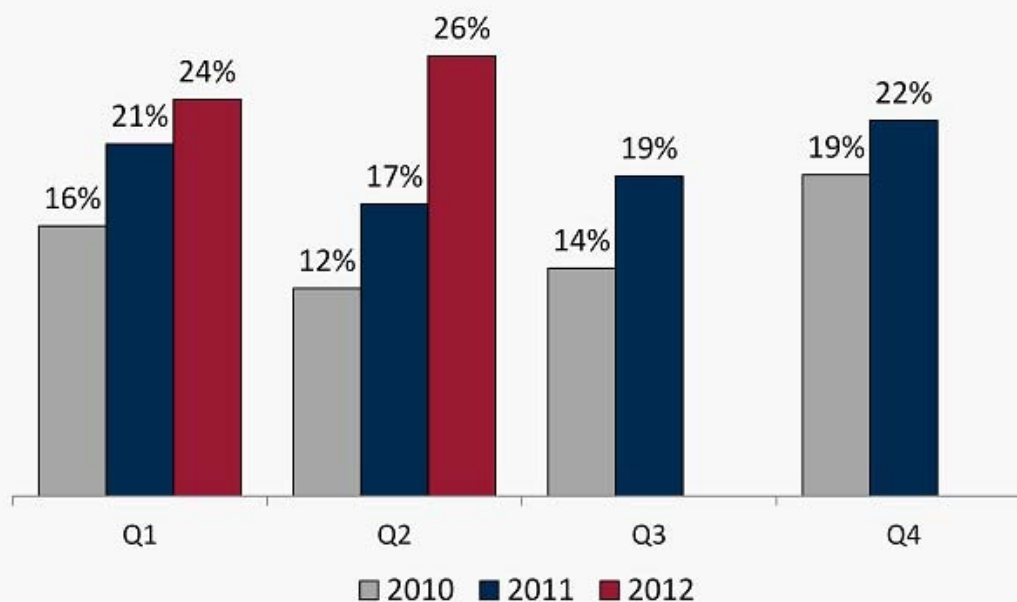


**Operational  
excellence  
driving  
higher  
customer  
satisfaction**

## Making Delta an Airline Customers Prefer



### Domestic Net Promoter Score

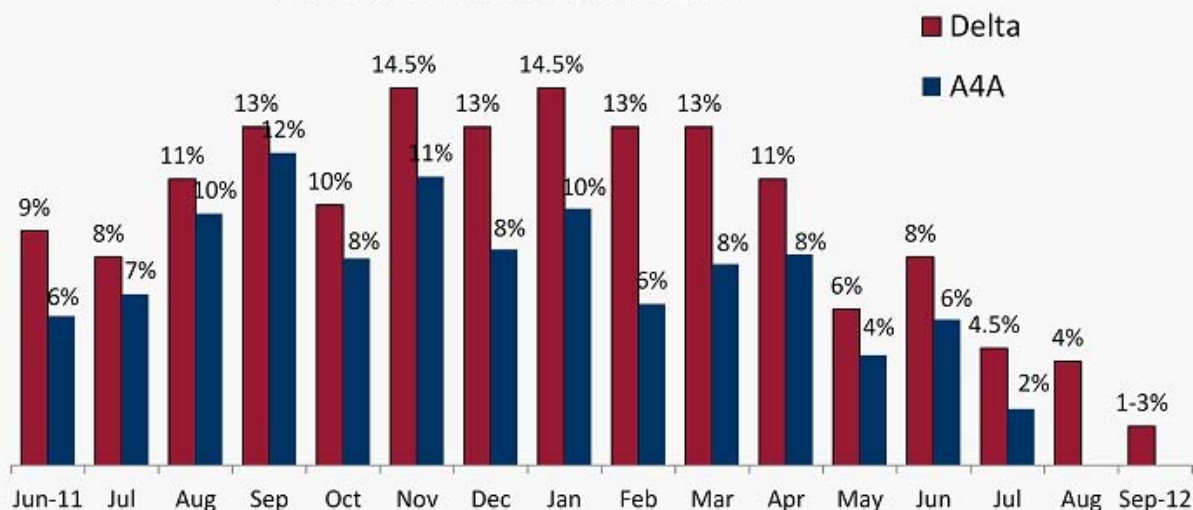


## Managing Capacity to Maximize Revenue



Sixteen consecutive months of RASM outperformance driven by corporate contract gains, the benefit of our product and service investments and prudent management of capacity

**Passenger Unit Revenue vs. Prior Year**



**Capacity change**

Delta	0%	1%	(1%)	(2%)	(3%)	(4%)	(3%)	(4%)	(2%)	(3%)	(1%)	(1%)	(2%)	(4%)	(1%)
Industry	3%	3%	3%	1%	0%	(1%)	(1%)	(2%)	4%	0%	(1%)	0%	1%	1%	0%

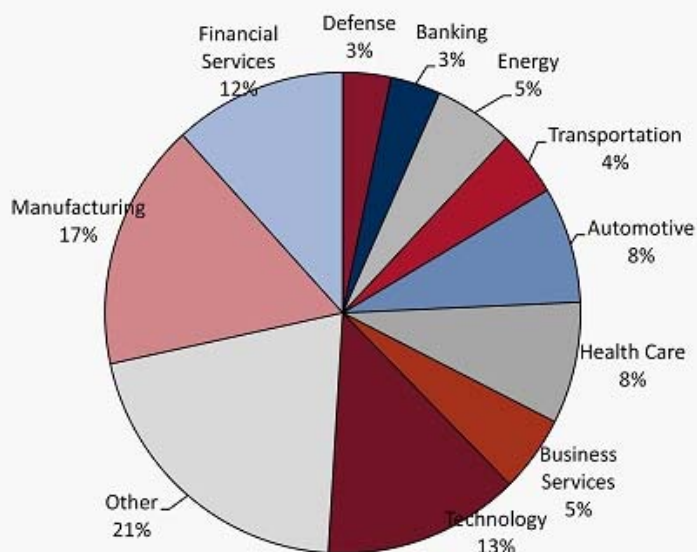
**Delta's 4Q12 capacity to be down 1 to 3% versus 4Q11**

## Strong Corporate Revenue Growth Driving RASM Gains

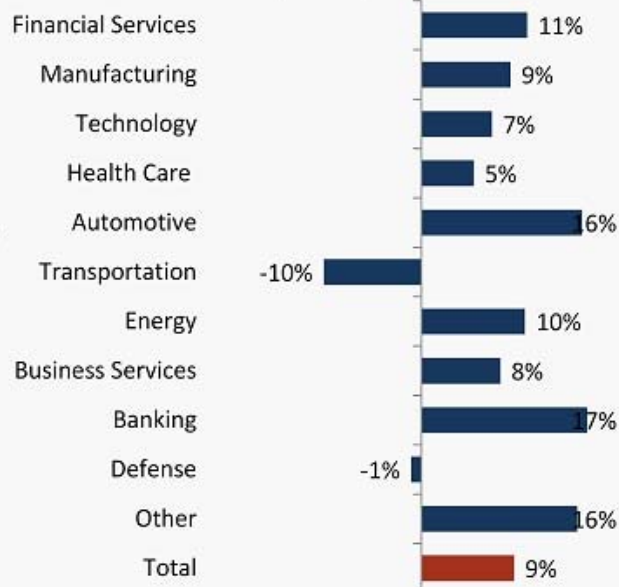


Corporate booked revenues up 9% for the September quarter despite 1-3% capacity reduction

Delta Corporate Revenue from Diverse Pool of Industries



Largest Corporate Sectors Leading Revenue Growth



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## Creating Financial Momentum In Face Of Rising Fuel Costs



Delta's Pre-tax Income (\$M)



	1H09	1H10	1H11	1H12
Average realized fuel price	\$2.16	\$2.28	\$3.06	\$3.33

*Note: All results exclude special items and mark to market adjustments on fuel hedges*

## Delta Has The Industry's Best Momentum



YTD-June 2012 Pre-tax Income (\$M)



Note: All results exclude special items and mark to market adjustments on fuel hedges

## Forecasting A Solid September Quarter



Solidly profitable September quarter despite pressure from rapidly rising jet fuel prices

	<b>September quarter 2012</b>
Operating margin	9 – 11%
Consolidated fuel price per gallon	\$3.23
Total unrestricted liquidity	\$5.0 billion

	<b>September quarter 2012 vs. September quarter 2011</b>
Passenger unit revenue	Up 3 - 4%
Consolidated ex-fuel unit cost	Up 4.5 – 5.5%
System capacity	Down 1 - 3%

*Note: Excludes special items and mark to market adjustments for out-of-period settlements of fuel hedges*

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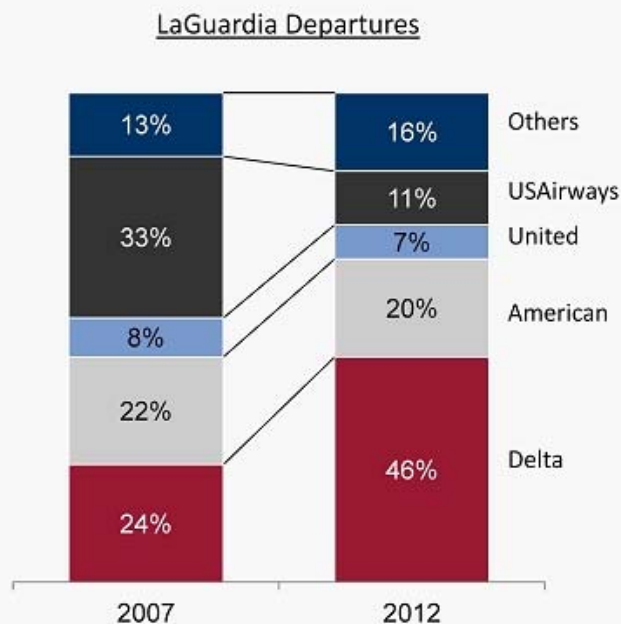


## Taking the Lead at New York-LaGuardia



### Reallocation of LaGuardia slots between airlines producing consolidation-like benefits

- Largest expansion in 40 years to 260 daily flights
  - Service to 47 of the top 50 business markets
- Already producing margin improvements
  - LaGuardia margin improved 3 points in July on a 40% increase in capacity
- Further benefits expected from:
  - Network ramp up
  - Improved Terminal C & D complex
    - new Delta Sky Clubs and expanded security lanes
  - Corporate contract gains from better network, product and facilities



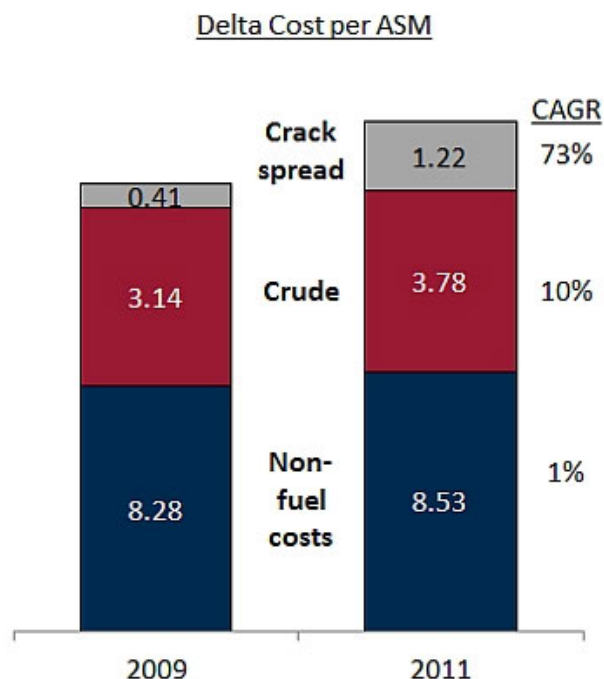


## Refinery Acquisition Addresses Rising Fuel Costs



Refinery provides a unique opportunity to address jet crack spreads

- Refinery acquisition reduces exposure to the growing long-term risk around jet fuel pricing and availability
- At full capacity, the refinery will cover 80% of Delta's domestic jet fuel needs through production and off-take agreements
  - Long-term agreements with established energy companies
- Refinery is on track to begin jet fuel production by the end of September
  - First deliveries of crude have arrived
- Expected to generate \$300 million annual benefit in 2013

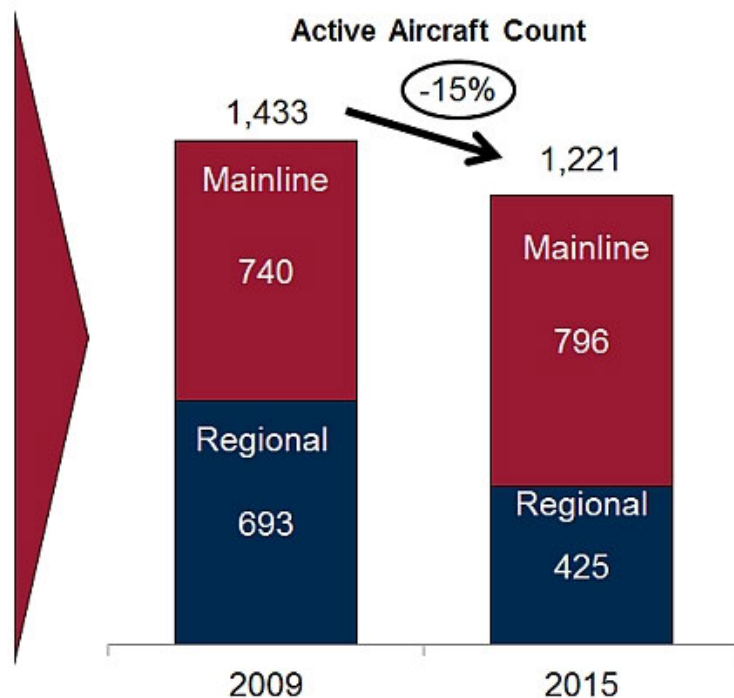




## Improving Margins Through Fleet Restructuring

Increase revenue, lower costs, maintain capacity discipline, and improve customer experience with 15% fewer aircraft

- Regional jet fleet to be reduced by 200 or more 50-seaters by 2015
- Flying to be backfilled by 717s, MD90s, 737-900ERs, and two-class regional jets
- New pilot agreement critical to this effort
- Significant structural cost reductions from retiring most expensive capacity and maintenance cost avoidance



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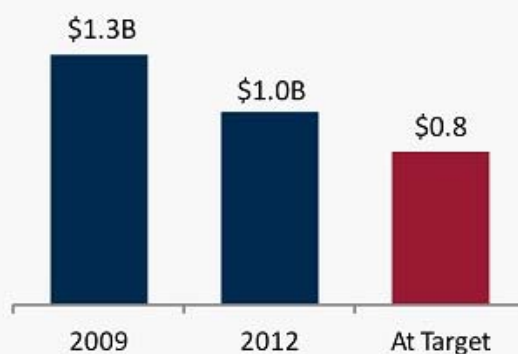
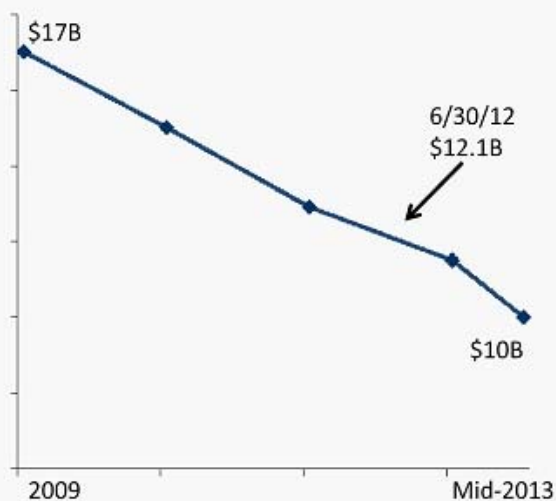
## Derisking the Business through Debt Reduction



On track to achieve \$10 billion adjusted net debt target in the next 12 months

Solid Progress On Debt Reduction...

...Producing Interest Expense Savings and Enhanced Flexibility



## Delta: Keep Climbing



### Continuing Financial Momentum

Industry leading financial improvement driven by strong gains in revenue

### Solid September Quarter

Solidly profitable September quarter despite rising jet fuel prices

### Focused on the Future: Structural Initiatives Differentiate Delta

Structural initiatives further current momentum by leveraging Delta's first mover advantage

## Non-GAAP Financial Measures

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Delta sometimes uses information ("non-GAAP financial measures") that is derived from our Consolidated Financial Statements, but that is not presented in accordance with accounting principles generally accepted in the U.S. ("GAAP"). Under the U.S. Securities and Exchange Commission rules, non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results.

Delta is unable to reconcile certain forward-looking projections to GAAP for future periods as the nature or amount of special items cannot be estimated at this time.

Delta excludes special items because management believes the exclusion of these items is helpful to investors to evaluate the company's recurring core operational performance in the period shown.

Delta adjusts for mark-to-market (MTM) adjustments for fuel hedges recorded in periods other than the settlement period in order to evaluate the company's financial results in the period shown.

Delta presents consolidated CASM excluding fuel expense and related taxes because management believes the volatility in fuel prices impacts the comparability of year-over-year financial performance.

Consolidated CASM excludes ancillary businesses not related to the generation of a seat mile. These businesses include aircraft maintenance and staffing services Delta provides to third parties and Delta's vacation wholesale operations.

Delta excludes profit sharing expense from consolidated CASM because management believes the exclusion of this item provides a more meaningful comparison of the company's results to the airline industry and prior years' results.

Delta uses adjusted total debt, including aircraft rent, in addition to long-term adjusted debt and capital leases, to present estimated financial obligations. Delta reduces adjusted total debt by cash, cash equivalents and short-term investments, resulting in adjusted net debt, to present the amount of additional assets needed to satisfy the debt.

## Pre-Tax Income

(in millions)	Six Months Ended June 30				2012 vs. 2011 Change
	2009	2010	2011	2012	
Pre-tax income (loss)	\$ (1,047)	\$ 222	\$ (195)	\$ (37)	
Items excluded:					
MTM adjustments	—	—	(18)	410	
Restructuring and other items	157	136	151	181	
Loss on extinguishment of debt	—	—	33	—	
Other	—	10	—	—	
Pre-tax income (loss) excluding special items	<u>\$ (890)</u>	<u>\$ 368</u>	<u>\$ (29)</u>	<u>\$ 554</u>	<u>\$ 583</u>

**Average Price Per Fuel Gallon**

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	<b>Six Months Ended June 30</b>	
	<b>2011</b>	<b>2012</b>
Average price per fuel gallon	\$ 3.05	\$ 3.55
MTM adjustments	0.01	(0.22)
Average price per fuel gallon, adjusted	<u>\$ 3.06</u>	<u>\$ 3.33</u>

**CASM-Ex**

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	<b>Full Year 2009</b>	<b>Full Year 2011</b>
CASM (Unit Cost)	12.32 ¢	14.12 ¢
Items excluded:		
Ancillary businesses	(0.31)	(0.37)
MTM adjustments	—	(0.01)
Profit sharing	—	(0.11)
Restructuring and other items	(0.18)	(0.10)
CASM (Unit Cost excluding special items, profit sharing and ancillary businesses)	11.83 ¢	13.53 ¢
Aircraft fuel and related taxes	(3.55)	(5.00)
CASM-Ex (Non-Fuel Unit Cost excluding special items, profit sharing and ancillary businesses)	8.28 ¢	8.53 ¢



## Adjusted Net Debt

(in billions)	December 31, 2009		June 30, 2012	
Debt and capital lease obligations	\$	17.2	\$	13.0
Plus: unamortized discount, net from purchase accounting and fresh start reporting		<u>1.1</u>		<u>0.6</u>
Adjusted debt and capital lease obligations	\$	18.3	\$	13.6
Plus: 7x last twelve months' aircraft rent		<u>3.4</u>		<u>2.0</u>
Adjusted total debt		<u>21.7</u>		<u>15.6</u>
Less: cash, cash equivalents and short-term investments		<u>(4.7)</u>		<u>(3.5)</u>
Adjusted net debt	\$	<u>17.0</u>	\$	<u>12.1</u>